Protection for domestic steel industry

1703. SHRI C. RAMACHANDRAIAH: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the domestic steel industry consumes around 55 MT of iron ore whereas nearly 105 MT is exported;

(b) if so, whether Government has received any plea from any quarter of the industry and the work force involved in the production of domestic steel to ban the iron ore exports which are expected to be depleted by the year 2035 AD;

(c) if so, whether Government is contemplating either to ban or levy export duty on iron ore to protect the domestic interests and also discourage exports;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) No, Sir. During the year 2006-07, domestic steel industry consumed about 68.504 million tonne of iron ore (Estimated) whereas 93.79 million tonne of iron ore was exported (Provisional).

(Source: Ministry of Mines for domestic consumption and Department of Commerce for Export)

(b) Government has been receiving pleas from some sectors especially steel manufacturers for regulating the export of iron ore.

(c) to (e) Government of India has imposed an export duty of Rs. 300/- per tonne on export of all varities of Lumps and on export of iron ore fines having Fe content more than 62%. Export duty of Rs. 50/- per tonne has been imposed on iron ore fine having Fe content 62% and below.

Rising steel import

1704. SHRI RAMDAS AGARWAL: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that steel import have short up by 4.18 million tonnes during April-November, 2007 as against 2.3 million tonnes imports during the same period in 2006, marking an increase of 77 per cent;

(b) whether his Ministry has expressed serious concern over this rising steel imports and warned that unless production of alloy grew, it would spell crisis for the domestic steel industry; and

(c) what steps Government has taken to increase new steel capacities and to avoid high steel imports?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS): (a) Yes, Sir.

(b) The growth in steel sector is driven by the growth in the Indian economy. The Indian economy has been growing at a sustained rate of 8%-9% per annum. The increase in the import of steel has been primarily to meet the additional domestic demand for steel not fulfilled by existing domestic production capacity and, hence, it will not create crisis in the domestic steel industry. Nonetheless, the Government constantly monitors the import of steel and takes appropriate steps whenever the need arises.

(c) In order to promote the domestic steel industry, the Government has taken various steps notable among them being the constitution of an Inter-Ministerial Group to monitor and coordinate the issues concerning major steel investments in the country related to